

DIRECT TESTIMONY

OF

**WILLIAM D. MARR
WATER ENGINEER**

**WATER DEPARTMENT
FINANCIAL ANALYSIS DIVISION
ILLINOIS COMMERCE COMMISSION**

ILLINOIS-AMERICAN WATER COMPANY

**IN THE MATTER OF THE APPLICATION OF ILLINOIS-AMERICAN WATER
COMPANY FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO
PROVIDE WATER AND/OR SANITARY SEWER SERVICE TO PARCELS IN COOK,
KENDALL, DUPAGE, AND WILL COUNTIES, ILLINOIS, PURSUANT TO SECTION 8-
406 OF THE ILLINOIS PUBLIC UTILITIES ACT**

DOCKET NO. 04-0522

NOVEMBER 17, 2004

WITNESS IDENTIFICATION AND BACKGROUND

Q. Please state your name and business address.

A. My name is William D. Marr. My business address is 527 East Capitol Avenue, Springfield, Illinois 62701.

Q. Please describe your present position and its responsibilities.

A. I am presently employed as a Water Engineer in the Water Department of the Financial Analysis Division of the Illinois Commerce Commission ("ICC" or "Commission"). My responsibilities have included reviewing and analyzing tariff filings related to rates, rules, regulations, and conditions of utility service; reviewing requests for declaratory rulings; reviewing applications for certificates of public convenience and necessity; reviewing information regarding the prudence of Qualifying Infrastructure Plant ("QIP") investment costs; conducting inspections of public water and sewer facilities; evaluating and performing cost of service studies ("COSS") and rate design; reviewing requests for general increases in rates for water and sewer service; reviewing tariff filings related to purchased water surcharge riders and information sheets; and presenting expert witness testimony at Commission hearings.

Q. Please describe your professional experience in the regulatory field.

A. I have been employed by the Commission since January 2, 2003. Prior to this time I worked at the Illinois Environmental Protection Agency ("Illinois EPA") for

ten years as an Environmental Protection Engineer (“EPE”) I, II, and III. My responsibilities as an EPE included the review and issuance of air pollution control permits for the Title V - Clean Air Act Permit Program, the Prevention of Significant Deterioration, and the Major Stationary Sources Construction and Modification for Non-Attainment Area New Source Review; the review and approval of Best Available Control Technology and Lowest Achievable Emission Rate determinations; the review and approval of Emissions Reduction Market System baseline emissions determinations; the review and approval of Emissions Reduction Generator proposals; the review and approval of Compliance Assurance Monitoring Plan submittals; and the determination of air pollution rule applicability and the verification of compliance of sources.

Q. Please describe your educational background.

A. I received a Bachelor of Science Degree in Mechanical Engineering from Southern Illinois University at Carbondale in December of 1991. I received an Engineer-In-Training (“EIT”) professional license from the State of Illinois in April of 1991.

Q. Please describe your professional affiliations.

A. I am a member of the American Water Works Association (“AWWA”).

Q. Have you previously provided expert testimony in regulatory matters?

46 A. Yes. I have previously provided expert witness testimony in rulemaking hearings
47 before the Illinois Pollution Control Board while working at the Illinois EPA. In
48 addition, I have previously provided testimony before the Commission in Docket
49 No. 02-0781 for Mancuso Investment Corporation, Docket No. 01-0827 for
50 Silverleaf Resorts, Inc., Docket No. 03-0069 for Consumers Illinois Water
51 Company ("CIWC"), Docket No. 03-0177 for CIWC, Docket No. 03-0365 for
52 Illinois-American Water Company, Docket No. 03-0398 for Cedar Bluff Utilities,
53 Inc., Docket No. 03-0400 for Charmar Water Company, Docket No. 03-0401 for
54 Cherry Hill Water Company, and Docket No. 03-0677 for South Beloit Water,
55 Gas and Electric Company.

56
57 **INTRODUCTION**

58
59 **Q. What is the purpose of your testimony in this proceeding?**

60 A. The purpose of my testimony is to review (i) under Section 8-406 of the Illinois
61 Public Utilities Act ("Act"), Illinois-American Water Company's ("Illinois-American",
62 "IAWC", or the "Company") need for Certificates of Public Convenience and
63 Necessity ("Certificates") to provide water and/or sanitary sewer service to
64 parcels in Cook, Kendall, DuPage, and Will Counties, Illinois, (ii) the Company's
65 proposed certificated service areas, and (iii) the Company's current Rates, Rules,
66 Regulations, and Conditions of Service tariffs for water and sanitary sewer
67 service.

PUBLIC CONVENIENCE AND NECESSITY

Q. What criteria did you use to review public convenience and necessity?

A. I used Section 8-406(b) of the Act, which states, in part:

The Commission shall determine that proposed construction will promote the public convenience and necessity only if the utility demonstrates: (1) that the proposed construction is necessary to provide adequate, reliable, and efficient service to its customers and is the least-cost means of satisfying the service needs of its customers; (2) that the utility is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision thereof;...

Q. Is the proposed construction necessary to provide adequate, reliable, and efficient service to the proposed parcels?

A. Yes. The Company's construction, operation, and maintenance of the proposed water and/or sanitary sewer facilities are necessary to provide adequate, reliable, and efficient water and/or sanitary sewer service to the customers to be located within the proposed areas for which Certificates are sought.¹ The Company currently provides adequate, reliable, and efficient water and/or sanitary sewer service to customers within its Chicago-Metro Division service area.

Q. Do the Company's water and/or sanitary sewer systems currently have sufficient capacity to meet the estimated demand for the developments identified within the proposed parcels without constructing additional water and/or sanitary sewer facilities?

A. **Chicago Suburban District**

95 Yes.² Lake Michigan water is provided to the customers through an
96 interconnection with the Village of Glenview.³ Current water system capacity for
97 this service area is 7.67 million gallons per day ("mgd") and the cumulative
98 estimated demand for the developments is 0.01405 mgd. The most recent
99 average day demand for this service area was 1.806 mgd and the peak demand
100 was 3.05 mgd. Adding the cumulative estimated demand from the developments
101 to the existing peak demand is 3.06405 mgd on a peak day, which is within the
102 existing water system capacity.⁴

103 Illinois-American will provide sanitary sewer collection service.⁵ Sanitary sewer
104 treatment service will be provided by the Metropolitan Water Reclamation District
105 of Greater Chicago ("MWRD").⁶ MWRD is financed through the property taxes of
106 the residents of Cook County.⁷ The sanitary sewer flow from the Illinois-
107 American sanitary sewer collection system to MWRD is not metered. Therefore,
108 no historical capacity or flow data is available for this sanitary sewer system. The
109 estimated demand for sanitary sewer service for the development is 0.0014 mgd.
110 Although the sanitary sewer flow to MWRD is not metered, the additional flow
111 from the development is within the carrying capacity of Illinois-American's
112 sanitary sewer collection system.⁸

113

¹ Amended Application, Paragraph 9, Page 3

² IAWC Exhibit No. BK-1.0, Pages 8, 9, 11, and 13; Exhibit IAWC BK-1.2

³ IAWC Exhibit No. BK-1.0, Page 8

⁴ Exhibit IAWC BK-1.2

⁵ IAWC Exhibit No. BK-1.0, Page 8

⁶ IAWC Exhibit No. BK-1.0, Pages 8 and 14

⁷ IAWC Exhibit No. BK-1.0, Page 33

⁸ Company response to ICC Staff data request WD 1.20

Southwest Suburban District

Yes.⁹ Lake Michigan water is supplied from American Lake Water Company.¹⁰

Current water system capacity for this service area is 12.41 mgd and the estimated demand for the development is 0.0045 mgd.¹¹ The 2003 average day demand for this service area was 2.14 mgd and the peak demand was 5.36 mgd. Adding the estimated demand from the development to the existing peak demand is 5.3645 mgd on a peak day, which is within the existing water system capacity.¹²

Illinois-American will provide sanitary sewer collection service.¹³ Sanitary sewer treatment service for Parcel A – Homer Glen Office Park, Parcel B – Windsor Court Subdivision, Parcel C – Cypress Pointe Subdivision, and Parcel F – Founder's Crossing will be provided by the Oak Valley Sanitary Treatment Plant owned by Illinois-American.¹⁴ Sanitary sewer treatment service for Parcel D – Menards will be provided by the Chickasaw Sanitary Treatment Plant owned by Illinois-American.¹⁵ Sanitary sewer treatment service for Parcel E – Stonebridge Woods Subdivision and Parcel G – Hiller Development will be provided by the City of Lockport.¹⁶ Sanitary sewer treatment service for Parcel H – Christ Community Church will be provided by the MWRD.¹⁷ MWRD is financed through

⁹ IAWC Exhibit No. BK-1.0, Pages 15, 17, 19, 21, 23, 25, 26, 28, 30, and 32; Exhibit IAWC BK-1.2

¹⁰ IAWC Exhibit No. BK-1.0, Page 15

¹¹ Exhibit IAWC BK-1.2; Company response to ICC Staff data request WD 1.20

¹² Company response to ICC Staff data request WD 1.20

¹³ IAWC Exhibit No. BK-1.0, Page 15

¹⁴ IAWC Exhibit No. BK-1.0, Pages 15, 17, 19, 21, 23, and 29

¹⁵ IAWC Exhibit No. BK-1.0, Pages 15, 17, and 25

¹⁶ IAWC Exhibit No. BK-1.0, Pages 15, 17, 27, and 31

¹⁷ IAWC Exhibit No. BK-1.0, Pages 15, 17, and 33

the property taxes of the residents of Cook County.¹⁸

Current sanitary sewer system capacity for the Southwest Suburban District service area is 3.82 mgd and the cumulative estimated demand for the developments is 0.14713 mgd. The most recent average daily flow for this service area was 2.17 mgd. Adding the cumulative estimated demand from the developments to the existing average daily flow is 2.31713 mgd, which is within the existing sanitary sewer system capacity.¹⁹

Liberty Ridge District

Yes.²⁰ Lake Michigan water is purchased from the DuPage Water Commission and is supplied from a 20-inch in diameter water main connection owned by the Village of Winfield.²¹ Current water system capacity for this service area is 3.14 mgd and the estimated demand for the development is 0.0063 mgd. The most recent average day demand for this service area was 0.244 mgd and the peak demand was 0.723 mgd. Adding the estimated demand from the development to the existing peak demand is 0.7293 mgd on a peak day, which is within the existing water system capacity.²²

Valley Marina District

Yes.²³ The source of water supply to this service area is a well owned and

¹⁸ IAWC Exhibit No. BK-1.0, Page 33

¹⁹ Exhibit IAWC BK-1.2

²⁰ IAWC Exhibit No. BK-1.0, Pages 34 and 35; Exhibit IAWC BK-1.2

²¹ IAWC Exhibit No. BK-1.0, Page 34

²² Exhibit IAWC BK-1.2

²³ IAWC Exhibit No. BK-1.0, Pages 36 and 37; Exhibit IAWC BK-1.2

operated by the Company.²⁴ Current water system capacity for this service area is 0.68 mgd and the estimated demand for the development is 0.012 mgd. The most recent average day demand for this service area was 0.157 mgd and the peak demand was 0.295 mgd. Adding the estimated demand from the development to the existing peak demand is 0.307 mgd on a peak day, which is within the existing water system capacity.²⁵

Sanitary sewer collection and treatment service will be provided through facilities owned and operated by the Company.²⁶ Current sanitary sewer system capacity for this service area is 0.25 mgd and the estimated demand for the development is 0.012 mgd. The most recent average daily flow for this service area was 0.25 mgd. Adding the estimated demand from the development to the existing average daily flow is 0.262 mgd, which is not within the existing sanitary sewer system capacity.²⁷ The historical average daily flow for this service area was calculated by computing the average annual flow. During years of high rainfall, the average annual flow is typically higher. The Illinois EPA computes available capacity in the sanitary sewer plant by looking at the average of the three lowest flow months of the year. Adding the estimated demand from the development to the historical average daily flow results in a figure slightly higher than the rated average day capacity of the sanitary sewer plant. However, the Company believes that the Illinois EPA will determine that adequate capacity is available in the sanitary sewer plant to serve the new development, as the Illinois EPA uses

²⁴ Company response to ICC Staff data request WD 1.14

²⁵ Exhibit IAWC BK-1.2

²⁶ Company response to ICC Staff data request WD 1.15

²⁷ Exhibit IAWC BK-1.2

the average of the three lowest flow months of the year for its determination.²⁸

Santa Fe District

Yes.²⁹ Lake Michigan water is supplied from American Lake Water Company.³⁰

Current water system capacity for this service area is 2.00 mgd and the cumulative estimated demand for the developments is 0.02835 mgd. The most recent average day demand for this service area was 0.448 mgd and the peak demand was 1.104 mgd. Adding the cumulative estimated demand from the developments to the existing peak demand is 1.13235 mgd on a peak day, which is within the existing water system capacity.³¹ Therefore, there is adequate water system capacity to serve the new developments.³²

A 1-mgd sanitary sewer treatment plant owned and operated by the Company will provide sanitary sewer collection and treatment service.³³ Current sanitary sewer system capacity for this service area is 1.0 mgd and the cumulative estimated demand for the developments is 0.02835 mgd. The most recent average daily flow for this service area was 0.3 mgd. Adding the cumulative estimated demand from the developments to the existing average daily flow is 0.32835 mgd, which is within the existing sanitary sewer system capacity.³⁴

Valley View District

²⁸ Company response to ICC Staff data request WD 1.20

²⁹ IAWC Exhibit No. BK-1.0, Pages 39, 40, and 42; Exhibit IAWC BK-1.2

³⁰ IAWC Exhibit No. BK-1.0, Page 38

³¹ Exhibit IAWC BK-1.2; Company response to ICC Staff data request WD 1.20

³² Company response to ICC Staff data request WD 1.20

³³ IAWC Exhibit No. BK-1.0, Pages 38 and 39

Yes.³⁵ Lake Michigan water is obtained from the DuPage Water Commission through a connection to the Company's Valley View District service area at Park Boulevard and Butterfield Road.³⁶ Current water system capacity for this service area is 2.34 mgd and the cumulative estimated demand for the developments is 0.006 mgd. The most recent average day demand for this service area was 0.637 mgd and the peak demand was 1.25 mgd. Adding the cumulative estimated demand from the developments to the existing peak demand is 1.256 mgd on a peak day, which is within the existing water system capacity.³⁷ Illinois-American will provide sanitary sewer collection service.³⁸ Sanitary sewer treatment service will be provided by the Glenbard Regional Wastewater Authority.³⁹ The sanitary sewer flow from the Illinois-American sanitary sewer collection system to the interceptors of the Glenbard Regional Wastewater Authority is not metered. Therefore, no historical capacity or flow data is available for this sanitary sewer system. The cumulative estimated demand for sanitary sewer service for the developments is 0.01265 mgd. Although the sanitary sewer flow to Glenbard Regional Wastewater Authority is not metered, the additional flow from the developments is within the carrying capacity of Illinois-American's sanitary sewer collection system.⁴⁰

West Suburban District

³⁴ Exhibit IAWC BK-1.2

³⁵ IAWC Exhibit No. BK-1.0, Pages 43, 44-45, 46, and 48; Exhibit IAWC BK-1.2

³⁶ IAWC Exhibit No. BK-1.0, Page 43

³⁷ Exhibit IAWC BK-1.2

³⁸ IAWC Exhibit No. BK-1.0, Page 43

³⁹ IAWC Exhibit No. BK-1.0, Pages 43, 45, 47, and 49

Yes.⁴¹ Lake Michigan water is provided through American Lake Water Company.⁴² Current water system capacity for this service area is 24.17 mgd and the cumulative estimated demand for the developments is 0.0613 mgd. The most recent average day demand for this service area was 5.304 mgd and the peak demand was 9.533 mgd. Adding the cumulative estimated demand from the developments to the existing peak demand is 9.5943 mgd on a peak day, which is within the existing water system capacity.⁴³

Illinois-American will provide sanitary sewer collection service. Sanitary sewer treatment service will be provided by the Village of Bolingbrook's wastewater treatment plants.⁴⁴ The sanitary sewer flow from the Illinois-American sanitary sewer collection system to the Village of Bolingbrook's wastewater treatment plants is not metered. Therefore, no historical capacity or flow data is available for this sanitary sewer system. The cumulative estimated demand for sanitary sewer service for the developments is 0.0581 mgd. Although the sanitary sewer flow to the Village of Bolingbrook's wastewater treatment plants is not metered, the additional flow from the developments is within the carrying capacity of Illinois-American's sanitary sewer collection system.⁴⁵

DuPage District

⁴⁰ Company response to ICC Staff data request WD 1.20

⁴¹ IAWC Exhibit No. BK-1.0, Pages 49, 51, 52, 54, 56, 58, 60, and 61; Exhibit IAWC BK-1.2

⁴² IAWC Exhibit No. BK-1.0, Page 49

⁴³ Exhibit IAWC BK-1.2

⁴⁴ IAWC Exhibit No. BK-1.0, Page 49

⁴⁵ Company response to ICC Staff data request WD 1.20

232 Yes.⁴⁶ Lake Michigan water supply is provided to the customers through an
233 interconnection with the Village of Lisle.⁴⁷ Current water system capacity for this
234 service area is 3.4 mgd and the estimated demand for the development is
235 0.00035 mgd.⁴⁸ The 2003 average day demand for this service area was 0.51
236 mgd and the peak demand was 0.97 mgd. Adding the estimated demand from
237 the development to the existing peak demand is 0.97035 mgd on a peak day,
238 which is within the existing water system capacity.⁴⁹

239 Illinois-American will provide sanitary sewer collection service. Sanitary sewer
240 treatment service will be provided by DuPage County.⁵⁰ Current sanitary sewer
241 system capacity for this service area is 0.25 mgd and the estimated demand for
242 the development is 0.00035 mgd.⁵¹ The sanitary sewer flow from the Illinois-
243 American sanitary sewer collection system to DuPage County is not metered.
244

245 Therefore, no historical flow data is available for this sanitary sewer system.
246 Although the sanitary sewer flow to DuPage County is not metered, the additional
247 flow from the development is within the carrying capacity of Illinois-American's
248 sanitary sewer collection system.⁵²

249 Therefore, the Company's water and/or sanitary sewer systems have sufficient
250 capacity to meet the estimated demand for the developments identified within the
251 proposed parcels without the need to construct additional water and/or sanitary

⁴⁶ IAWC Exhibit No. BK-1.0, Page 64; Exhibit IAWC BK-1.2

⁴⁷ IAWC Exhibit No. BK-1.0, Page 62

⁴⁸ Exhibit IAWC BK-1.2; Company response to ICC Staff data request WD 1.20

⁴⁹ Company response to ICC Staff data request WD 1.20

⁵⁰ IAWC Exhibit No. BK-1.0, Pages 62 and 64

⁵¹ Exhibit IAWC BK-1.2

sewer facilities.

Q. Is the proposed construction the least-cost means of satisfying the service needs of the customers within the proposed parcels?

A. Yes. The Company's proposed construction of the water and/or sanitary sewer facilities constitutes the least-cost means of satisfying the service needs of the customers within the proposed parcels.⁵³ The proposed parcels are contiguous to and/or surrounded by an existing Illinois-American certificated service area.⁵⁴ It is most cost-efficient for an existing utility in the area to extend its mains rather than have a new entity come into the area to establish service. Thus, duplication of facilities and unnecessary costs would be avoided.⁵⁵ No other public water and/or sanitary sewer utilities are presently serving the parcels for which Certificates are requested, or are willing and able to provide water and/or sanitary sewer service to the proposed parcels.⁵⁶ No municipal corporation is in a position to provide water and/or sanitary sewer utility service to the proposed parcels.⁵⁷

Q. Is the Company capable of efficiently managing and supervising the construction process incident to the provision of service to the proposed

⁵² Company response to ICC Staff data request WD 1.20

⁵³ Amended Application, Paragraph 9, Page 3

⁵⁴ Amended Application, Paragraph 4, Page 1; IAWC Exhibit No. BK-1.0, Pages 4, 5, and 16; Company response to ICC Staff data request WD 1.16

⁵⁵ IAWC Exhibit No. BK-1.0, Page 5

⁵⁶ Amended Application, Paragraph 6, Page 2; IAWC Exhibit No. BK-1.0, Pages 9, 10-11, 13, 16, 34, 37, 39, 41, 44, 47, 50, 52, 54, 55, 57, 59, and 61

⁵⁷ IAWC Exhibit No. BK-1.0, Page 16; Company response to ICC Staff data request WD 1.16

271 **parcels?**

272 A. Yes.⁵⁸ The Company is capable of efficiently managing and supervising the
273 construction necessary to serve all the proposed parcels.⁵⁹ Illinois-American is
274 the largest investor-owned public water and wastewater utility in Illinois and has
275 many years of experience managing and supervising this type of construction.⁶⁰

276

277 **Q. Will 83 Ill. Adm. Code 600.370 of the Commission's regulations be followed**
278 **in regards to construction of water main extensions?**

279 A. Yes.⁶¹ The proposed construction of water main extensions will be consistent with the
280 Company's longstanding practices and tariffs and in accordance with 83 Ill. Adm. Code
281 600.370.⁶²

282

283 **Q. Will sanitary sewer main extensions be constructed according to the**
284 **stipulation in Docket No. 01-0645?**

285 A. Yes.⁶³

286

287 **Q. Has the Company provided justifications for installing proposed water**
288 **main extensions that are larger than eight inches (8") in diameter in size?**

289 A. Yes. Oversized water main extensions larger than 8" in diameter are needed
290 within certain developments in order to meet required domestic and fire

⁵⁸ IAWC Exhibit No. BK-1.0, Page 6

⁵⁹ Amended Application, Paragraph 10, Page 3

⁶⁰ IAWC Exhibit No. BK-1.0, Page 6

⁶¹ IAWC Exhibit No. BK-1.0, Page 6

⁶² IAWC Exhibit No. BK-1.0, Pages 6 and 7

291 protection flow demands.⁶⁴ Based on my review of the data request, it appears
292 that water main extensions larger than 8" in diameter in size are required in order
293 to meet customer service requirements and comply with good engineering
294 principles, in accordance with 83 Ill. Adm. Code 600.370.

295
296 **Q. Has the Company provided justifications for installing proposed sanitary**
297 **sewer main extensions that are larger than eight inches (8") in diameter in**
298 **size?**

299 A. Yes. Sanitary sewer main extensions were oversized by the developers to meet
300 their developments' estimated demands.⁶⁵ Based on my review of the data
301 request, it appears that sanitary sewer main extensions larger than 8" in diameter
302 in size are required to meet customer service requirements and comply with
303 good engineering principles, in accordance with the stipulation in Docket No. 01-
304 0645.

305
306 **Q. In your opinion, does the Company have a need for Certificates to provide**
307 **water and/or sanitary sewer service to parcels in Cook, Kendall, DuPage,**
308 **and Will Counties, Illinois?**

309 A. Yes. The construction, operation, and maintenance by the Company of the water
310 and/or sanitary sewer facilities are necessary and appropriate to serve the
311 parcels for which Certificates are requested, and the Company's provision of

⁶³ IAWC Exhibit No. BK-1.0, Pages 6, 14, 18, 20, 22, 24, 25, 27, 29, 31, 33, 38, 41, 42, 45, 47, 49, 55, 57, 58, 60, 62, and 64

⁶⁴ Company response to ICC Staff data request WD 1.18

water and/or sanitary sewer service to the public in those proposed parcels, will promote the public convenience and is necessary thereto, and the interest of the public will be served thereby.⁶⁶ Thus, the Company has met the requirements set forth in Sections 8-406(b)(1) and (2) of the Act.

PROPOSED CERTIFICATED SERVICE AREAS

Q. Why is the Company presently seeking Certificates to serve these areas?

A. Property developers and/or owners have entered into, or are in the process of entering into, various water and/or sanitary sewer service agreements requesting the Company to serve these proposed parcels for which Certificates are requested.⁶⁷ The Company has recently entered into water and/or sanitary sewer service agreements with the developers of Parcel B – Windsor Court Subdivision, Parcel C – Cypress Pointe Subdivision, Parcel D – Menards, and Parcel G – Hiller Development, all of the Southwest Suburban District, and Parcel A – Woodland Oaks Subdivision of the Liberty Ridge District.⁶⁸ These service agreements were entered into after the filing of the Company's Direct Testimony. Additionally, the pace of the on-going development activity within the certificated service areas has made it necessary to have the Certificates in place when the parcels are ready for development.⁶⁹

⁶⁵ Company response to ICC Staff data request WD 1.19

⁶⁶ Amended Application, Paragraph 12, Pages 3-4

⁶⁷ Amended Application, Paragraph 5, Page 2; IAWC Exhibit No. BK-1.0, Pages 5, 6, 9, 10, 12-13, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36-37, 39, 41, 44, 45-46, 47, 50, 52, 53, 55, 57, 59, 61, and 63

⁶⁸ Company response to ICC Staff data request WD 1.08

⁶⁹ IAWC Exhibit No. BK-1.0, Page 5

332

333 **Q. Please describe the Company's proposed certificated service areas.**

334 **A. Chicago Suburban District**

335 **Parcel A – 271 Woodland Drive, Mount Prospect, Illinois**

336 The property owner has requested water service for a single-family residence at
337 271 Woodland Drive in Mount Prospect, Illinois.⁷⁰ The total acreage for the
338 proposed certificated service area is 1.46 acres.⁷¹

339

340 **Parcel B – Planned Unit Development, Des Plaines River Road and**
341 **Morrison Avenue**

342 The developer has requested water service for a 41-unit residential
343 development.⁷² The total acreage for the proposed certificated service area is
344 4.33 acres.⁷³

345

346 **Parcel C – 1903 through 1909 Euclid Avenue**

347 The property owners have requested water and sanitary sewer service for 4
348 single-family residences on Euclid Avenue in Mount Prospect, Illinois.⁷⁴ The total
349 acreage for the proposed certificated service area is 2.8 acres.⁷⁵

350

351 **Southwest Suburban District**

⁷⁰ IAWC Exhibit No. BK-1.0, Page 8

⁷¹ IAWC Exhibit No. BK-1.0, Page 10

⁷² IAWC Exhibit No. BK-1.0, Page 10

⁷³ IAWC Exhibit No. BK-1.0, Page 11

⁷⁴ IAWC Exhibit No. BK-1.0, Page 12

⁷⁵ IAWC Exhibit No. BK-1.0, Page 14

Pursuant to a boundary agreement with the Village of Homer Glen, Illinois-American provides water and sanitary sewer service to areas annexed into the Village of Homer Glen. The Village of Homer Glen and its neighboring municipalities have agreed to certain boundaries for future annexation.⁷⁶ There are boundary agreements between the Village of Homer Glen and the City of Lockport and the Illinois-American Facility Planning Area.⁷⁷ The Village of Homer Glen has requested that Illinois-American seek a Certificate to provide water and sanitary sewer service to the areas annexed into the Village of Homer Glen or that will annex into the Village of Homer Glen in the near future.⁷⁸ The Illinois EPA makes the determination as to where the sanitary sewer from a certain parcel will be treated based on the Facility Planning Area boundaries.⁷⁹

Parcel A – Homer Glen Office Park

The developer has requested sanitary sewer service for a restaurant and a 6-unit office building commercial development.⁸⁰ The total acreage for the proposed certificated service area is 3.88 acres.⁸¹

Parcel B – Windsor Court Subdivision

The developer has requested sanitary sewer service for a 22-lot residential

⁷⁶ Company response to ICC Staff data request WD 1.10

⁷⁷ Amended Application, Revised Exhibit B, Page 2

⁷⁸ Company response to ICC Staff data request WD 1.10

⁷⁹ IAWC Exhibit No. BK-1.0, Page 15

⁸⁰ IAWC Exhibit No. BK-1.0, Page 18

⁸¹ IAWC Exhibit No. BK-1.0, Page 19

subdivision.⁸² The total acreage for the proposed certificated service area is
15.52 acres.⁸³

Parcel C – Cypress Pointe Subdivision

The developer has requested sanitary sewer service for a 23-lot residential
subdivision.⁸⁴ The total acreage for the proposed certificated service area is
15.88 acres.⁸⁵

Parcel D – Menards

The developer has requested sanitary sewer service for a commercial
development.⁸⁶ The total acreage for the proposed certificated service area is 41
acres.⁸⁷

Parcel E – Stonebridge Woods Subdivision

The developer has requested sanitary sewer service for a 106-lot residential and
a 17-acre commercial development.⁸⁸ The total acreage for the proposed
certificated service area is 62 acres.⁸⁹

Parcel F – Founder’s Crossing

⁸² IAWC Exhibit No. BK-1.0, Page 20

⁸³ IAWC Exhibit No. BK-1.0, Page 21

⁸⁴ IAWC Exhibit No. BK-1.0, Page 22

⁸⁵ IAWC Exhibit No. BK-1.0, Page 23

⁸⁶ IAWC Exhibit No. BK-1.0, Page 24

⁸⁷ IAWC Exhibit No. BK-1.0, Page 25

⁸⁸ IAWC Exhibit No. BK-1.0, Page 26

⁸⁹ IAWC Exhibit No. BK-1.0, Page 27

The developer has requested sanitary sewer service for a 32-unit senior residential housing and commercial development.⁹⁰ The total acreage for the proposed certificated service area is 15 acres.⁹¹

Parcel G – Hiller Development

The developer has requested sanitary sewer service for a 110-lot residential development.⁹² The total acreage for the proposed certificated service area is 29.774 acres.⁹³

Parcel H – Christ Community Church

The developer has requested sanitary sewer and water service for a new church.⁹⁴ The total acreage for the proposed certificated service area is 13.2 acres.⁹⁵

Liberty Ridge District

Parcel A – Woodland Oaks Subdivision

The developer has requested water service for an 18-lot residential development.⁹⁶ The total acreage for the proposed certificated service area is 5.971 acres.⁹⁷

⁹⁰ IAWC Exhibit No. BK-1.0, Page 28

⁹¹ IAWC Exhibit No. BK-1.0, Page 29

⁹² IAWC Exhibit No. BK-1.0, Page 30

⁹³ IAWC Exhibit No. BK-1.0, Page 31; Amended Application, Revised Exhibit B, Page 5

⁹⁴ IAWC Exhibit No. BK-1.0, Page 32

⁹⁵ IAWC Exhibit No. BK-1.0, Page 33

⁹⁶ IAWC Exhibit No. BK-1.0, Page 34

⁹⁷ IAWC Exhibit No. BK-1.0, Page 35

409

410 **Valley Marina District**

411 **Parcel A – Unit 2 Commerce Street Industrial Development**

412 The developer has requested water and sanitary sewer service for a commercial
413 development.⁹⁸ The total acreage for the proposed certificated service area is
414 17.296 acres.⁹⁹

415

416 **Santa Fe District**

417 **Parcel A – Forest View Estates Subdivision**

418 The developer has requested water and sanitary sewer service for a 23-lot
419 residential development.¹⁰⁰ The total acreage for the proposed certificated
420 service area is 8.24 acres.¹⁰¹

421

422 **Parcel B – Oak Bluff Estates Subdivision**

423 The developer has requested water and sanitary sewer service for a 58-lot
424 residential development.¹⁰² The total acreage for the proposed certificated
425 service area is 5.716 acres.¹⁰³

426

427 **Valley View District**

428 **Parcel A – Glen Park Estates**

⁹⁸ IAWC Exhibit No. BK-1.0, Page 36

⁹⁹ IAWC Exhibit No. BK-1.0, Page 38

¹⁰⁰ IAWC Exhibit No. BK-1.0, Page 39

¹⁰¹ IAWC Exhibit No. BK-1.0, Page 40

¹⁰² IAWC Exhibit No. BK-1.0, Page 41

¹⁰³ IAWC Exhibit No. BK-1.0, Page 42

The developer has requested water and sanitary sewer service for an existing 8-lot residential development.¹⁰⁴ The total acreage for the proposed certificated service area is 8.24 acres.¹⁰⁵

Parcel B – Arboretum Estates

The developer has requested sanitary sewer service for a 19-lot residential development.¹⁰⁶ The total acreage for the proposed certificated service area is 82.6 acres.¹⁰⁷

Parcel C – Lydia Court

The developer has requested water and sanitary sewer service for a 9-lot residential development.¹⁰⁸ The total acreage for the proposed certificated service area is 2.023 acres.¹⁰⁹

West Suburban District

Pursuant to a boundary agreement with the Village of Bolingbrook, Illinois-American provides water, and in certain areas, water and sanitary sewer service to areas annexed into the Village of Bolingbrook.¹¹⁰ The Village of Bolingbrook has boundary agreements with its neighboring municipalities of Naperville, Woodridge, Romeoville, and Plainfield, which define future village and service

¹⁰⁴ IAWC Exhibit No. BK-1.0, Page 44

¹⁰⁵ IAWC Exhibit No. BK-1.0, Page 45

¹⁰⁶ IAWC Exhibit No. BK-1.0, Page 45

¹⁰⁷ IAWC Exhibit No. BK-1.0, Page 46

¹⁰⁸ IAWC Exhibit No. BK-1.0, Page 47

¹⁰⁹ IAWC Exhibit No. BK-1.0, Page 48

area boundaries.¹¹¹ The Village of Bolingbrook has requested that Illinois-American seek a Certificate to provide water and/or sanitary sewer service to the areas annexed into the Village of Bolingbrook or that will annex into the Village of Bolingbrook in the near future.¹¹² Illinois-American has a Franchise Ordinance Agreement with the Village of Bolingbrook to provide water service to property annexed into the entire Village of Bolingbrook and sanitary sewer collection service to parcels annexed into the Village of Bolingbrook and within Illinois-American's Facility Planning Area.¹¹³

Parcel A – Country Aire Commons

The developer has requested water service for a commercial development.¹¹⁴

The total acreage for the proposed certificated service area is 37.25 acres.¹¹⁵

Parcel B – Claridge Estates

The developer has requested water and sanitary sewer service for a 124-lot residential development.¹¹⁶ The total acreage for the proposed certificated service area is 55.066 acres.¹¹⁷

Parcel C – 125 West Boughton Road

¹¹⁰ Company response to ICC Staff data request WD 1.11

¹¹¹ IAWC Exhibit No. BK-1.0, Page 50

¹¹² Motion for Leave to File an Amended Application, Paragraph 6, Page 2; Company response to ICC Staff data request WD 1.11

¹¹³ IAWC Exhibit No. BK-1.0, Page 50; Motion for Leave to File an Amended Application, Paragraph 4, Page 1

¹¹⁴ IAWC Exhibit No. BK-1.0, Page 52

¹¹⁵ IAWC Exhibit No. BK-1.0, Page 53

The developer has requested water and sanitary sewer service for a commercial development.¹¹⁸ The total acreage for the proposed certificated service area is 0.532 acres.¹¹⁹

Parcel D – Bolingbrook Business Park, Lot 1

The developer has requested water and sanitary sewer service for a commercial development.¹²⁰ The total acreage for the proposed certificated service area is 3.0 acres.¹²¹

Parcel E – Bolingbrook Pointe Corporate Center, Phase 2

The developer has requested water and sanitary sewer service for a commercial development.¹²² The total acreage for the proposed certificated service area is 8.24 acres.¹²³

Parcel F – Silva Construction Office Building

The developer has requested water and sanitary sewer service for a commercial development.¹²⁴ The total acreage for the proposed certificated service area is 8.24 acres.¹²⁵

¹¹⁶ IAWC Exhibit No. BK-1.0, Page 53

¹¹⁷ IAWC Exhibit No. BK-1.0, Page 54

¹¹⁸ IAWC Exhibit No. BK-1.0, Page 55

¹¹⁹ IAWC Exhibit No. BK-1.0, Page 56

¹²⁰ IAWC Exhibit No. BK-1.0, Page 57

¹²¹ IAWC Exhibit No. BK-1.0, Page 58

¹²² IAWC Exhibit No. BK-1.0, Page 59

¹²³ IAWC Exhibit No. BK-1.0, Page 60

487 **DuPage District**

488 **Parcel A – 803 Maple Avenue**

489 The property owner has requested water and sanitary sewer service for a single-
490 family residence at 803 Maple Avenue in Lisle, Illinois.¹²⁶ The total acreage for
491 the proposed certificated service area is 0.42 acres.¹²⁷

492

493 **Q. Do you have any changes to recommend to the Company's proposed**
494 **certificated service areas?**

495 A. Yes. I recommend that the Company file in its Rebuttal Testimony a Revised
496 Exhibit B of the Amended Application for Parcel A – Unit 2 Commerce Street
497 Industrial Development of the Valley Marina District that legally describes this
498 parcel as

499 Unit 2 Commerce Street Industrial Development, being a development in
500 Oswego Township, in part of Southeast Quarter of Section 6 and part of the
501 Northeast Quarter of Section 7, Township 37 North, Range 8 East of the Third
502 Principal Meridian, in Kendall County, Illinois.¹²⁸
503

504 I recommend that the Company file in its Rebuttal Testimony a Revised Exhibit B
505 of the Amended Application for Parcel D – Bolingbrook Business Park, Lot 1 of
506 the West Suburban District that legally describes this parcel as

507 Lot 1 of Bolingbrook Business Park, Unit 4, being a Subdivision of Part of the
508 Northeast Quarter of Section 22, Township 37 North, Range 10 East of the Third
509 Principal Meridian, in the Village of Bolingbrook, Will County, Illinois.¹²⁹
510

¹²⁴ IAWC Exhibit No. BK-1.0, Page 60

¹²⁵ IAWC Exhibit No. BK-1.0, Page 62

¹²⁶ IAWC Exhibit No. BK-1.0, Page 63

¹²⁷ IAWC Exhibit No. BK-1.0, Page 64

¹²⁸ Company response to ICC Staff data request WD 1.21

Q. In your opinion, should the Company's proposed certificated service areas be approved?

A. Yes. If the Company files in its Rebuttal Testimony the recommended changes discussed above, I recommend that the Commission approve the Company's proposed certificated service areas, which are legally described in Revised Exhibit B of the Amended Application. I reviewed the Company's proposed certificated service areas and they appear to be properly defined, with the exceptions discussed above.

RATES, RULES, REGULATIONS, AND CONDITIONS OF SERVICE TARIFFS

Q. What Rates, Rules, Regulations, and Conditions of Service tariffs does the Company propose to be applied to customers within the proposed certificated service areas for water and sanitary sewer service?

A. The Company has proposed that these customers will be subject to the Rates, Rules, Regulations, and Conditions of Service tariffs for water and sanitary sewer service on file with the Commission and in effect and applicable to the Chicago-Metro Division of Illinois-American.¹³⁰

¹²⁹ Company response to ICC Staff data request WD 1.22

¹³⁰ Amended Application, Paragraph 8, Page 3; IAWC Exhibit No. BK-1.0, Page 7; IAWC Exhibit No. EJG-1.0, Page 2

Q. Are there any associated charges for the customers within the proposed certificated service areas of the Southwest Suburban District with regard to sanitary sewer treatment service by an entity other than Illinois-American?

A. Customers receiving sanitary sewer treatment service from the City of Lockport will pay a Purchased Sewage Treatment Surcharge to Illinois-American that will be approved by the Commission in applicable Purchased Sewage Treatment Surcharge Rider and Information Sheet Tariffs. Illinois-American will pay the City of Lockport for purchased sanitary sewer treatment services.¹³¹ On September 14, 2004, the Commission issued Certificates under an Order in Docket No. 03-0362, where it ordered Illinois-American to file a Revised Purchased Sewage Treatment Surcharge Rider Tariff and new Information Sheet as a 45-day filing when the expected number of customers subject to the Lockport Wholesale Waste Water Treatment Services Agreement may be determined with certainty. As of the filing date of Staff's Direct Testimony, the Company has not filed its Revised Purchased Sewage Treatment Surcharge Rider Tariff and new Information Sheet.

Q. Have you reviewed the Company's current Rates, Rules, Regulations, and Conditions of Service tariffs for water and sanitary sewer service?

A. Yes. I have reviewed the Company's current Rates, Rules, Regulations, and Conditions of Service tariffs for water and sanitary sewer service.

¹³¹ IAWC Exhibit No. BK-1.0, Pages 17-18, 27, and 31

552 **Q. Do you have any changes to recommend to the Company's current Rates,**
553 **Rules, Regulations, and Conditions of Service tariffs for water and sanitary**
554 **sewer service?**

555 A. No.

556

557 **CONCLUSION**

558

559 **Q. Please summarize your conclusions.**

560 A. In my opinion, the Company has a need for Certificates to provide water and/or
561 sanitary sewer service to parcels in Cook, Kendall, DuPage, and Will Counties,
562 Illinois. The Company has met the requirements set forth in Sections 8-406(b)(1)
563 and (2) of the Act.

564 I recommend that the Commission approve the Company's proposed certificated
565 service areas, which are legally described in Revised Exhibit B of the Amended
566 Application, if the Company files in its Rebuttal Testimony the recommended
567 changes discussed previously in my testimony.

568 I do not have any changes to recommend to the Company's current Rates,
569 Rules, Regulations, and Conditions of Service tariffs for water and sanitary sewer
570 service.

571

572 **Q. Does this conclude your direct testimony?**

573 A. Yes.